



Halton Aphasia Centre

Financial Statements

March 31, 2023

Halton Aphasia Centre

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Independent Auditor's Report

To the Board of Directors of the:
Halton Aphasia Centre

Qualified Opinion

We have audited the financial statements of Halton Aphasia Centre (the Organization), which comprise of the statement of financial position as at March 31, 2023, the statement of operations, statement of changes in net assets, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-profit Organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from fundraising activities, functions and other cash recoveries, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of the Organization. Therefore, we were unable to determine whether any adjustments might be necessary to fundraising revenue, functions and other cash recoveries, excess of revenue over expenses, and cash flows from operations, current assets and net assets as at March 31, 2023 and March 31, 2022. Our audit opinion on the financial statements for the year ended March 31, 2023 and March 31, 2022 were modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going-concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

When individuals responsible for the oversight of the financial reporting process are the same as those responsible for the preparation of the financial statements, no reference to oversight responsibilities is required.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they

Independent Auditor's Report (continued)

could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in blue ink, appearing to read 'Spence', with a large, stylized flourish above it.

Oakville, Canada
June 21, 2023

Douglas Spence & Associates Professional Corporation
Chartered Professional Accountants
Licensed Public Accountant

Halton Aphasia Centre

Statement of Financial Position

March 31, 2023

	Notes	2023	2022
Assets			
Current assets			
Cash		\$ 119,051	\$ 140,387
Accounts receivable		9,175	1,530
Investment	4.	50,000	-
Prepaid expenses		1,806	1,087
Total assets		180,032	143,004
Capital assets - net	3.	2,455	-
Total assets		\$ 182,487	\$ 143,004
Liabilities and net assets			
Current liabilities			
Accounts payable and accrued liabilities		\$ 68,822	\$ 46,888
Deferred revenue	6.	734	7,219
Total liabilities		69,556	54,107
Net assets			
Unrestricted		112,931	88,897
Total liabilities and net assets		\$ 182,487	\$ 143,004

Approved on behalf of the board

Laura Mayne

Patrick O'Kelly

The accompanying notes are an integral part of these financial statements.

Halton Aphasia Centre

Statement of Operations

For the Year Ended March 31, 2023

	Note	2023	2022
Revenue			
Government funding and grants	5.	\$ 468,740	\$ 387,843
Fundraising		24,745	22,076
Donations		22,558	10,160
Membership fees		6,100	6,276
Demutualization payment		-	5,243
Interest		-	500
Other		-	225
		522,143	432,323
Operating expenses			
Program professional fees		468,802	359,208
Bookkeeping		10,197	7,951
Audit fees		4,907	3,500
Supplies		3,875	785
Fundraising		2,894	3,520
Training workshops		2,607	2,100
Insurance		1,366	2,290
Telecommunications		1,106	5,851
Amortization		931	-
Subsidized membership fees		810	650
Bank charges		427	132
Marketing and supplies		187	2,862
Clinical administration		-	25,078
Program administration		-	5,120
Travel		-	146
		498,109	419,193
Excess of revenue over expenses		\$ 24,034	\$ 13,130

The accompanying notes are an integral part of these financial statements.

Halton Aphasia Centre

Statement of Changes in Net Assets

For the Year Ended March 31, 2023

	2023	2022
Net assets, beginning of year	\$ 88,897	\$ 75,767
Excess of revenues over expenses	24,034	13,130
Net assets, end of year	\$ 112,931	\$ 88,897

The accompanying notes are an integral part of these financial statements.

Halton Aphasia Centre

Statement of Cash Flows

For the Year Ended March 31, 2023

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess of revenue over expenses	\$ 24,034	\$ 13,130
Item not affecting cash:		
Amortization	931	-
Changes in non-cash working capital items		
Increase in accounts receivable	(7,645)	(1,310)
(Increase) decrease in prepaid expenses	(719)	1,025
Increase (decrease) in accounts payable and accrued liabilities	21,934	(57,883)
Decrease in deferred revenue	(6,485)	(206)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	32,050	(45,244)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(50,000)	-
Proceeds from sale of investments	-	50,000
Purchase of capital assets	(3,386)	-
NET CASH USED BY INVESTING ACTIVITIES	(53,386)	50,000
Net cash (decrease) increase	(21,336)	4,756
Cash, beginning of year	140,387	135,631
Cash, end of year	\$ 119,051	\$ 140,387

The accompanying notes are an integral part of these financial statements.

Halton Aphasia Centre

Notes to the Financial Statements

For the Year Ended March 31, 2023

1. Nature of operations

The Halton Aphasia Centre referred to herein as the "Organization" is a not-for-profit that provides community aphasia programs to people living with communication disorders. The Organization educates the community about aphasia and provides training and support.

The Organization is incorporated under the Ontario Corporations Act and is tax exempt as a not-for-profit organization.

2. Significant Accounting Policies

a. Basis of preparation

These financial statements have been prepared in accordance with Canadian accounting standards for not for profit organizations ("ASNPO"), which is in accordance with Canadian generally accepted accounting principles.

b. Cash

Cash consists of balances with the bank.

c. Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when the Organization becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are recorded at cost or amortized cost.

Transaction costs related to financial instruments measured at fair value subsequent to initial recognition are expensed as incurred. Transaction costs related to other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in net earnings as interest income or expense.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

d. Measurement uncertainty

The preparation of non-consolidated financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Key components of the non-consolidated financial statements requiring management to make estimates include accrued liabilities and deferred revenue. Actual results could differ from these estimates.

Halton Aphasia Centre

Notes to the Financial Statements

For the Year Ended March 31, 2023

2. Significant Accounting Policies (continued)

e. Capital assets

Capital assets are amortized over their useful life at the following rate:

Computer	55% on the declining balance method
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In the year of acquisition, these rates are reduced by 50%. Capital assets acquired during the year but not placed into use during this time are not amortized in the year of acquisition.

f. Impairment of long lived assets

In the event that facts and circumstances indicate that the Organization's long-lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write-down to market value or discounted cash flow value is required. The Organization considers that no circumstances exist that would require such an evaluation.

g. Revenue recognition

The Organization follows the deferral method of accounting for contributions. The unrestricted fund accounts for the Organization's current operations and programs as well as other administrative activities.

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donations are recorded when the cash is received. No amounts have been recognized for pledged donations.

Government grants are recorded when there is a reasonable assurance that the Organization had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Government grants, membership fees and fundraising revenue are recognized on an accrual basis and are deferred until performance has been achieved and the funds are earned.

h. Contributed services

Volunteers contribute an undeterminable number of hours per year. Because of the difficulty of determining their fair value contributed services are not recognized in the financial statements.

Halton Aphasia Centre

Notes to the Financial Statements

For the Year Ended March 31, 2023

3. Capital assets

Capital assets consist of the following:

			2023	2022
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computers	\$ 3,386	\$ (931)	\$ 2,455	\$ -

During the year, amortization of \$931 (2022 - \$nil) was recorded.

4. Investments

The amount represents a \$50,000 twelve-month GIC, maturing on February 21, 2024, bearing interest at 3.25%. Total investment income earned for the fiscal 2022 year was \$nil (2021 - \$nil).

5. Government funding and grants

	2023	2022
Government grants		
Ontario Health Central Local Health Integration Network (LHIN)	\$ 299,193	\$ 221,761
Central West LHIN	77,577	77,577
Adult Recreation Therapy Centre (ARTC) - funded by Hamilton Niagara Haldimand Norfolk Brant (HNHB) LHIN	58,305	52,260
Joseph Brant Memorial Hospital - funded by Hamilton Niagara Haldimand Norfolk Brant (HNHB) LHIN	26,110	26,110
Region Of Peel COVID-19 Community Fund	-	10,135
Home & Community Care Ontario - funded by Trillium Health Partners	7,555	-
	\$ 468,740	\$ 387,843

6. Deferred revenue

Deferred revenue represents funds received in respect of future fiscal periods.

	2023	2022
Central West LHIN	\$ -	\$ 6,465
Membership fees	734	754
	\$ 734	\$ 7,219

Halton Aphasia Centre

Notes to the Financial Statements

For the Year Ended March 31, 2023

7. Financial instruments

Liquidity risk

The Organization's objective is to have sufficient liquidity to meet its liabilities when due. The Organization monitors its cash balances and cash flows generated from operations to meet its requirements. As at March 31, 2023, the most significant financial liabilities are accounts payable and accrued liabilities.